



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 22, 2002

H.R. 3482 **Cyber Security Enhancement Act of 2002**

As ordered reported by the House Committee on the Judiciary on May 8, 2002

SUMMARY

H.R. 3482 would authorize the appropriation of \$125 million for fiscal year 2003 for the National Infrastructure Protection Center (NIPC) in the Department of Justice. The bill also would establish new federal crimes and would increase penalties for unauthorized use of computers and related offenses.

CBO estimates that implementing H.R. 3482 would cost \$125 million over the 2003-2004 period, subject to appropriation of the authorized amount. Enacting the bill also would affect direct spending and receipts, but CBO estimates that any such effects would not be significant. Because the bill would affect direct spending and receipts, pay-as-you-go procedures would apply.

H.R. 3482 would impose reporting requirements on state and local government agencies that receive certain disclosures from providers of electronic communication services. Such a requirement would constitute an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost of complying with these new reporting requirements would not likely be significant, and would not exceed the threshold established in UMRA (\$58 million in 2002, adjusted annually for inflation). Overall, the bill would benefit state, local, and tribal governments by providing technological assistance and training materials to state and local law enforcement agencies. H.R. 3482 contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3482 is shown in the following table. CBO assumes that the amounts authorized for the NIPC will be appropriated by the start of fiscal year 2003. We expect that outlays will occur somewhat more slowly than the historical rate of spending for this program because of the increase in funding compared to the 2002 level. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
Spending for NIPC Under Current Law						
Budget Authority ^a	90	0	0	0	0	0
Estimated Outlays	75	25	0	0	0	0
Proposed Changes						
Authorization Level	0	125	0	0	0	0
Estimated Outlays	0	88	38	0	0	0
Spending for NIPC Under H.R. 3482						
Authorization Level	90	125	0	0	0	0
Estimated Outlays	75	113	38	0	0	0

a. The 2002 level is the amount appropriated for that year for the National Infrastructure Protection Center.

Enacting H.R. 3482 could increase collections of criminal fines for unauthorized use of computers and other offenses. CBO estimates that any additional collections would not be significant. Criminal fines are recorded as receipts and deposited in the Crime Victims Fund, then later spent.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act specifies pay-as-you-go procedures for legislation affecting direct spending and receipts. These procedures would apply to H.R. 3482 because it would affect both direct spending and receipts, but CBO estimates that the annual amount of such changes would not be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3482 would impose reporting requirements on state and local government agencies that receive certain disclosures from providers of electronic communication services. Such a requirement would constitute an intergovernmental mandate as defined in UMRA. CBO estimates that the cost of complying with these new reporting requirements would not likely be significant, and would not exceed the threshold established in UMRA (\$58 million in 2002, adjusted annually for inflation). Overall, the bill would benefit state, local, and tribal governments by providing technological assistance and training materials to state and local law enforcement agencies.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 3482 contains no new private-sector mandates as defined in UMRA.

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